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Evaluation of the Career Transition Assistance Initiative

Final Report

March 2014

Strategic Policy and Research Branch

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Canada

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Final report

Evaluation Directorate Strategic Policy and Research Branch
Employment and Social Development Canada

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Executive Summary

The Career Transition Assistance (CTA) initiative was a temporary measure implemented in Budget 2009 to help eligible Employment Insurance (EI) claimants update and acquire new skills. The CTA initiative was introduced based on the evidence that long-tenured workers who lose their job experience important earnings losses that are persistent over time and significantly higher than those of unemployed low-tenured workers. These workers might want to invest in training to recover their pre-displacement wages but decide not to do so because of a lack of income support. The purpose of the CTA initiative was to provide this additional support to EI claimants who met the definition of long-tenured workers to encourage them to pursue training.

The first component of the CTA initiative, the Extended Employment Insurance and Training Incentive (EEITI) provided additional weeks of EI Part I regular benefits to long-tenured workers who enrolled in long term training (20 weeks or more) early in their claim. The second component of the CTA initiative, the Severance Investment for Training Initiative (SITI), provided earlier access to EI Part I regular benefits to long-tenured workers who enrolled in training early in their claim and used their separation monies to pay for their training.

The field work for the summative evaluation of the CTA initiative started in 2009-2010 and terminated in 2012-2013, about a year after the last participants left the initiative. Seven lines of evidence were conducted: a literature review; a descriptive analysis, a cost study; two econometric studies; focus groups; and key informant interviews. These studies were used to provide answers to 28 evaluation questions. This evaluation report summarizes the findings for each evaluation question, draws conclusions and makes recommendations.

Participation in the CTA initiative

The CTA initiative was implemented with the expectation that about 45,000-50,000 long-tenured workers would participate in the initiative. This target was revised to 15,000-20,000 participants early after the implementation of the initiative. The actual number of CTA participants was 11,356, representing about 2% of eligible claimants.

While the take-up rate was lower than expected it was nevertheless similar to the participation rate in other training programs lasting 20 weeks or more. Moreover, the take-up rate of CTA training lasting 40 to 89 weeks (0.8%) was slightly higher than the take-up rate of other training programs lasting 40 to 89 weeks (0.5%).

Reasons for participation

The CTA initiative was introduced based on the rationale that many long-tenured workers affected by the 2008/09 economic downturn would be from declining industries and in need of skills upgrading to re-secure employment. The reasons for participation in the CTA initiative were consistent with this rationale.

The majority of survey respondents indicated that they enrolled in the CTA initiative to upgrade their skills or obtain a certificate (35%), to increase their chance of finding work (34%) or to change occupation or industry (27%). Focus group participants identified similar reasons for participation.

Reasons for non-participation

The most common reason given for non-participation in the CTA initiative by survey respondents was work related. At least a third of survey respondents said that they were not interested in the initiative because they found work, decided to work instead or expected to return to the same employer.

The second most common reason was the absence of a need for training. Between 20% and 28% stated that they did not need the CTA initiative or that the CTA initiative would not help them get a job.

The type of training offered was a reason for non-participation for some long-tenured workers. About 13% of non-participants said that the available training did not fit their needs, they did not want the training available in their area or they did not want to have such a long period of training.

The complexity of the CTA initiative was not perceived to be a barrier to participation for the vast majority of survey respondents. Key informants (service providers who delivered the CTA initiative on behalf of the provinces) however admitted that they found the SITI confusing and difficult to explain to clients. This contributed, in their view, to the low take-up of the SITI.

Some delivery issues were perceived by key informants as having negatively impacted participation in the CTA initiative, although the magnitude of the impacts was believed to be small. These issues included: meeting with clients within the first 20 weeks of their claim (eligibility period); finding training opportunities for clients; and not having enough lead time to prepare for the initiative.

The lack of awareness could also be a reason for non-participation since about half of survey respondents eligible for the CTA initiative said, approximately one year after their job loss, that they were not aware of the initiative. This figure might however capture problems in recall and underestimate the awareness of the CTA initiative.

Characteristics of CTA Participants

The intention of the CTA initiative was to target long-tenured workers who had made limited use of EI regular benefits before losing a job that they had held for many years, often in a declining industry where the acquired skills may not be transferable to another field.

The actual profile of CTA participants was mainly in line with this targeted population. The majority of participants were first time EI users (51%), from the manufacturing or trade and transport industries (29% and 22% respectively) and aged between 30 and 49 years old (71%).

Claimants who had worked for the same employer for five consecutive years or more were somewhat over-represented among CTA participants, representing 21% of this group compared to 18% among non-participants. The vast majority of CTA participants (78%) had however less than five years of job tenure with the same employer. Moreover, half of CTA participants had a post-secondary qualification: 39% had a college, trade or professional diploma or certificate; and 11% had a university degree.

Characteristics of CTA Training

The characteristics of CTA training reflected the requirements of the initiative: eligible training had to be full-time and last at least 20 weeks. CTA participants trained 29 hours per week and had an expected course duration of 44 weeks on average. By comparison, the majority of long-tenured workers who trained outside the CTA enrolled in part-time courses that lasted 16 weeks on average. Almost all CTA training (93%) was leading to a diploma. In 65% of the cases, it was a trade or community college diploma. The average tuition cost for CTA training was about $8,000.

CTA Benefits

The CTA provided three types of additional EI Part I benefits to participants: (i) an extension of EI benefits after the exhaustion of the regular entitlement to cover the period of training (EEITI participants); (ii) an extension of EI benefits after the completion of training to facilitate job search (EEITI participants); and (iii) an earlier access to EI benefits for participants who used their severance monies to pay for their course (SITI participants).

About 93% of CTA participants benefited from an extension of EI benefits (42 weeks on average), 32% qualified for and received additional weeks of EI benefits for job search (6 weeks on average), and 6% received their EI benefits earlier than normally due to their participation in the SITI (12 weeks earlier on average).

In sum, 10,608 CTA participants received additional EI Part I benefits. On average each of these participants received $17,600 in extra benefits. Overall, a total of $187 million was paid in additional EI Part I benefits to CTA participants over the years 2009-10 to 2012-13.

Impacts of the CTA initiative

The objective of the CTA initiative was to encourage long-tenured workers to enrol in long-term training early in their claim period. Overall, the evidence suggests that this goal was achieved to some extent.

Training Participation

About 47% of survey respondents who participated in the CTA initiative indicated that they would not have taken any training without the initiative. This number suggests that the CTA initiative increased the number of long-tenured workers participating in training by 5,280 (46.5% of 11,356).

The majority of focus groups participants also said that they would not have taken any training without the CTA initiative. In addition, most of them also said that they would not have enrolled in training without the additional provincial funding they received and that helped them cover the cost of their program.

Key informants however believed that the majority of claimants would have proceeded with training without the CTA initiative. The main reason for this view is that the provinces were already providing financial support to claimants enrolling in long-term training. Nevertheless, key informants believed the CTA initiative still had some positive incremental effects, mainly because of the "marketing" effect of the Service Canada letter notifying claimants of their potential eligibility.

Finally, the econometric study estimated the impact of the CTA initiative based on a counterfactual, that is, a comparison group that provides a good approximate of what would have happened to CTA participants in the absence of the initiative. Results suggest that the EEITI had no statistically significant impact on training participation while the SITI had increased participation by a modest 0.049 percentage points.

Timing of Training Decision and Duration of Training

Of the focus group participants who would have participated in training without the CTA initiative, the majority indicated that the initiative did not influence the timing of their training decision or the duration of their training. Key informants also thought the CTA initiative did not have a large impact on these aspects of training. Most provinces support two years or more of training and key informants thought this support is sufficient for the majority of claimants to proceed with longer-term training.

The survey data and the econometric study suggest that the effect of the CTA on training duration might have been somewhat stronger. Approximately half of survey respondents (49%) who would have participated in training without the CTA initiative indicated that they would have taken a shorter training course without the initiative. And the econometric study found that for those that would have pursued training regardless of the CTA, the initiative increased training duration by 6-10 weeks on average.

Management Response

Background

The Career Transition Assistance (CTA) initiative was introduced as part of Economic Action Plan 2009 in response to the economic downturn. CTA measures were developed to offer displaced long-tenured workers the opportunity to receive earlier or extended Employment Insurance (EI) regular benefits if they began longer-term training early in their EI claim. The rationale for the initiative was that many long-tenured workers face significant barriers to reemployment after having spent many years with the same employer often in declining industries, developing very specialized skills that might not be transferable.

CTA was delivered jointly between the federal and provincial/territorial governments. The decision by the provincial/territorial governments to refer EI clients who were long-tenured workers for longer-term training was the trigger under CTA for Service Canada to provide early or extended Employment Insurance regular benefits. A primary objective of CTA was to encourage provinces/territories and employment service providers to promote longer duration training for long-tenured workers through provincial/territorial skills training (Skills Development under the EI-funded Labour Market Development Agreements). The ultimate objective was to improve the skills and certification of long-tenured workers and ensure they were qualified for new jobs when the economic recovery began.

Introduction

The Skills and Employment Branch appreciates the comprehensive field work completed in the writing of this report, and the findings and lessons learned in the report provide valuable information to support ongoing work between Employment and Social Development Canada (ESDC) and the provinces/territories in the design and delivery of employment programs and services across the country.

Key Findings

This Strategic Evaluation reports that 11,356 long-tenured workers benefitted from early or extended EI regular benefits through CTA to support longer-term training and improve their skills and certification. Provinces and territories referred EI clients to Skills Development training triggering an additional $187 million in EI benefits. Key informants believed that this saved provinces/territories from having to provide income support to many clients, freeing up provincial/territorial funding to send additional clients on skills training.

Survey and focus group evidence confirmed that CTA increased the participation rate of long-tenured workers in training. CTA claimants had 44 weeks average training duration compared to the 20 week average of non-CTA Skills Development clients. The study

found that almost half of CTA participants would not have taken any training without the CTA measures, and almost all CTA training led to new certification - a key requirement in finding a new job.

While the CTA led to positive results for participants, the take-up rate and spending on the CTA measures was well below initial estimates. Given the urgent need for training in the context of the recession, the low take-up rate could be attributed to the necessity of implementing quickly to respond to the immediate needs of unemployed long-tenured workers. Take-up was also affected by the earlier economic recovery in Canada which allowed more long-tenured workers find jobs without additional training.

CTA participation results also have to be considered within the context of the full suite of Economic Action Plan (EAP) 2009 measures introduced by the Government of Canada to provide responsive and flexible assistance to workers affected by the recession. EAP temporarily increased EI Regular Benefit entitlements by five extra weeks and increased the maximum benefit duration to 50 weeks from 45 weeks for all claimants. In addition, EAP specifically targeted long-tenured workers through the Extension of EI Benefits to Long Tenured Workers measure which provided additional EI benefits of 5 to 20 weeks depending on how long they had been working and contributing to EI. This measure resulted in 221,110 long-tenured workers receiving $1.0 billion in additional EI benefits. Evidence suggests that workers tend to focus on finding work first rather than participating in training. Hence, many long-tenured workers on EI may have decided to continue to search for employment rather than undertaking new training. In order to assist provinces and territories to provide more Canadians with employment benefits and services, the Government of Canada also transferred an additional $500 million in 2009-10 and 2010-11 under the LMDAs.

Communications with clients

The evaluation emphasized the importance of effective communication with potential clients to maximize participation. While the evaluation found that Service Canada sending a letter to all EI clients who were potentially eligible for CTA had a considerable "marketing" effect, program take-up was found to be only 2% of potential clients. During implementation, the Government of Canada worked closely with provinces and territories to support the CTA measures and responded when take-up was lower than expected by sending reminder letters to all potential clients to enhance awareness of CTA.

Eligibility criteria

The initial eligibility criteria for CTA required clients to have a Section 25 referral to training in the first 20 weeks following the establishment of their EI claim. The evaluation found that this was not always consistent with how long-tenured, more mature clients tend to respond to becoming unemployed – evidence indicators that these clients are more likely to exhaust their benefits before seeking employment assistance. For those clients who were interested in training, high client volumes early in the downturn made it difficult

to get timely referrals to training. ESDC (Employment and Social Development Canada) responded to feedback from provinces and territories and quickly amended CTA eligibility to require only an active Return to Work Action Plan to qualify.

Program design and implementation

The evaluation also suggested that CTA could have benefited from a longer implementation period, including broader consultation with partners and increased staff training. CTA measures were implemented as quickly as possible to encourage long-tenured workers to take training early in the economic downturn. The effective implementation of new EI regular benefits combined with new provincial/territorial training measures requires a significant investment of time at each level of delivery, supported by administrative and staff training resources and close communication between levels of government and service providers.

Key Conclusions

Given the temporary nature of the CTA initiative, no specific recommendations were made in this Strategic Evaluation. The Skills and Employment Branch welcomes the evidence that the measures generally achieved their objective of encouraging long-tenured workers to enrol in longer-term training early in their claim period. The Branch also appreciates the lessons identified on the importance of effective communications with clients, flexible eligibility criteria, and adequate time for program design and implementation. These findings provide valuable information to support ongoing improvements to the design and delivery of the federal and provincial/territorial employment programs and services supporting the Canadian labour market.

ESDC and Service Canada continue to work with provinces and territories to improve the exchange of EI data and the automation of the training referral process to more efficiently help EI clients undertake training. Lessons learned from this evaluation regarding issues with coordination and communication between the two levels of government have informed the development of a new LMDA Modernization Information Technology system to be implemented in 2014-15, and will be considered in future policy work to transform the LMDAs.

1. Introduction

1.1 Overview

The Career Transition Assistance (CTA) initiative was a temporary measure implemented in Budget 2009 to help eligible Employment Insurance (EI) claimants update and acquire new skills. The CTA initiative was comprised of two components:

- The Extended Employment Insurance and Training Incentive (EEITI) provided additional weeks of EI Part I regular benefits to long-tenured workers who enrolled in long term training early in their claim.
- The Severance Investment for Training Initiative (SITI) provided earlier access to EI Part I regular benefits to long-tenured workers who enrolled in training early in their claim and used their separation monies to pay for their training.

Both the EEITI and SITI came into force on May 31, 2009 and the take-up period terminated on May 29, 2010. Participants had to start their training course within the first 52 weeks of their claim and the claim period could not extend beyond 104 weeks. Consequently, the last CTA participants began their training in May 2011 and left the initiative by the end of May 2012 at the latest.

The summative evaluation of the CTA initiative started in 2009-2010 and terminated in 2012-2013, about a year after the last participants left the initiative.

1.2 Evaluation Goals

The evaluation of the CTA initiative addressed 28 specific questions covering the five core evaluation issues identified in the Treasury Board's Policy on Evaluation. The list of evaluation questions was developed by an Advisory Committee that was created to oversee and guide the evaluation[1]. The full list of evaluation questions can be found in Appendix I.

The Advisory Committee decided to place more emphasis on the evaluation questions 21 to 23 that addressed the effectiveness of the initiative at achieving its main goal of encouraging long-tenured workers to enrol in long-term training early in their claim period.

This report presents, for each evaluation question, a summary of the results obtained from the relevant lines of evidence.

[1] Key stakeholders on the Advisory Committee included representatives from the ESDC Evaluation Directorate, the Skills and Employment Branch, and the Labour Market Policy Directorate.

1.3 Lines of Evidence

A total of seven lines of evidence were conducted to address the evaluation questions. A matrix linking the lines of evidence to the evaluation questions they addressed is presented in Appendix II. Below a brief description of the seven studies is provided.[2]

- A *literature review* was conducted to address questions related to the rationale of the initiative. The study reviewed the evidence on the extent of worker's displacement, the adjustment problems faced by displaced workers (unemployment duration, earnings losses), the barriers to private investment in training, and the effectiveness of training programs for displaced workers.[3]

- A *descriptive analysis* of the 2010 Canadian Out-of-Employment Panel (COEP) survey and EI administrative data was conducted to help address seventeen evaluation questions. As part of the 2010 COEP survey, 3,872 long-tenured workers who were eligible for the CTA initiative, including 665 participants, were interviewed. The interviews gathered information that was not available in the EI administrative files (e.g. awareness of the initiative, reasons for participation or non-participation, level of education). These survey data along with the EI data provided key quantitative pieces of evidence for the evaluation of the CTA initiative.[4]

- A first *econometric study* was produced to assess whether the CTA initiative achieved its main goal of increasing training participation. The study used quasi-experimental methods and EI administrative data to estimate the effect of the CTA initiative on the participation rate of long-tenured workers in training. The study also gauged the potential interactions between the Extension of EI Regular Benefits for Long-tenured Workers and the CTA initiative.[5]

- A second *econometric study* was conducted to address the other objectives of the CTA initiative. The study assessed whether the CTA encouraged long-tenured workers to i) enroll in longer-term training and ii) to start their training earlier in their benefit period. The study was based on quasi-experimental methods and EI administrative data.[6]

- *Focus groups* were conducted with CTA participants in Montreal, Kitchener, Winnipeg and Vancouver. In each city, two sessions were held with a younger group of participants (under 45 years old) and an older group (45 years old or over) respectively. Nine evaluation

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2 For further details, the individual study reports are available upon request.

3 Jones, Stephen, 2010, "Literature Review for the Evaluation of the Extended Employment Insurance and Training Incentive (EEITI) and the Severance Investment for Training Initiative (SITI)"

4 ESDC, 2013, "Descriptive Analysis of the Career Transition Assistance (CTA) Initiative"

5 Hansen, Jorgen, 2013, "Impacts of the Career Transition Assistance Initiative on Training Participation"

6 Woodcock, Simon, 2013, "Impacts of the Career Transition Assistance (CTA) Initiative on the Timing of Training Participation and the Duration of Training"

questions were discussed during the focus groups sessions. While all these questions were also covered by other lines of evidence, the focus groups provided more insight into participants' views and behaviours.[7]

- *Key informant interviews* were conducted with the service providers who delivered the CTA initiative on behalf of the provinces. The main objective of this study was to identify any challenges encountered with the implementation and delivery of the initiative and determine whether these issues impacted participation in the initiative. Key informants also gave their views on the effectiveness of the initiative at encouraging claimants to undertake long-term training early in their claim period.[8]

- A *cost study* provided basic information on the administrative costs that were incurred by ESDC for the CTA initiative and on the additional EI Part I benefits paid to participants. Based on these expenditures, the study estimated the average ESDC cost per client of the CTA initiative.[9]

Whenever possible, the lines of evidence made the distinction between the SITI and EEITI components of the CTA initiative. However, a small number of long-tenured workers participated in the SITI. Moreover, the majority of SITI participants also benefited from the EEITI.[10] The small SITI sample and the association of the SITI and the EEITI complicated several analyses. Consequently some results are only available for the whole population of CTA participants.

In addition to the seven lines of evidence outlined above, evaluation reports prepared for two other initiatives introduced in Budget 2009 were also used.

- A *literature review* written for the evaluation of the Extended Duration of Regular EI Benefits and the Extension of EI Regular Benefits for Long-Tenured Workers (EEILTW) examined a question related to the unemployment spell of long-tenured workers. Findings related to this question were incorporated with the evidence gathered to assess the need for the CTA initiative (Q-1). [11]
- A series of 10 *focus groups* were conducted for the evaluation of the EEILTW with long-tenured workers who did not participate in the CTA initiative. Interesting findings came out of the focus group discussions and were used to provide evidence on questions related to the relevance and awareness of the CTA initiative (Q-3 and Q-7).[12]

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[7] SAGE, 2010, "Focus Groups for the Evaluation of the Career Transition Assistance (CTA) Initiative"

[8] SAGE, 2011, "Key Informant Interviews for the Evaluation of the Career Transition Assistance (CTA) Initiative"

[9] ESDC, 2013, "Cost Analysis of the Career Transition Assistance (CTA) Initiative"

[10] Only 103 long-tenured workers participated in the SITI exclusively and 629 participated in both the SITI and EEITI.

[11] Leonard, Phil, 2011, "Literature Review for the Evaluations of Two Temporary Measures Extending the Duration of Employment Insurance Regular Benefits – Extension of EI Regular Benefits for Long-Tenured Workers and the Extended Duration of Regular EI Benefits"

[12] EKOS, 2012, "Focus Groups for the Evaluation of the Extension of Employment Insurance Regular Benefits for Long-Tenured Workers"

2. Description of the Career Transition Assistance Initiative

2.1 Program Rationale and Objective

Rationale

The 2008/09 economic downturn accelerated ongoing structural changes within the economy and limited the ability of some laid-off workers to re-secure employment. This was especially the case for long-tenured workers who had, before being displaced, held the same job for many years, often in a declining industry, and whose skills were not transferable to another field.

The evidence shows that long-tenured workers who lose their job experience significant earnings losses in the first year following displacement, as well as long term losses that are significantly higher than those of unemployed low tenured workers. These workers are at risk of a significant drop in their standard of living over the longer term. While many long-tenured workers might want to upgrade their skills to recover their pre-displacement earnings, the lack of income support might prevent them from pursuing training.

The CTA initiative was introduced in this context and was based on the rationale that participation in training during the recession would help long-tenured workers prepare for jobs that would become available at the end of their training with the economic recovery.

Objective

The purpose of the CTA initiative was to improve the re-employability of long-tenured workers by creating incentives for them to invest in training.

Specifically, the purpose of the EEITI was to test whether increasing the duration of EI regular benefits would encourage long-tenured workers to enter longer term training and whether this training would facilitate their reintegration into sustainable employment. The purpose of the SITI was to encourage long-tenured workers who received separation payments to finance their own training by providing earlier access to EI regular benefits.

It was originally estimated that approximately 40,000 claimants would participate in the EEITI and that approximately 10,000 claimants would benefit from the SITI, which translated into a take-up rate of about 7%. Soon after the implementation of the CTA initiative, the target for both the EEITI and SITI combined was reduced to between 16,000 and 20,000 individuals.

2.2 Program Description

The CTA initiative was a temporary measure delivered in collaboration with the provinces and territories (P/Ts) from May 31, 2009 to May 29, 2010. The CTA initiative had two components: the Extended Employment Insurance and Training Incentive (EEITI) and the Severance Investment for Training Initiative (SITI).

The EEITI was a pilot project under the *Employment Insurance (EI) Act* (pilot project no. 14) that extended the duration of EI Part I regular benefits for claimants who met the definition of long-tenured worker and who enrolled in long-term training (20 weeks or more) early in their claim. The benefit period was extended up to a total of 104 weeks to support claimants while they were on training and after the completion of their training to facilitate job search and re-employment. One week for every 5 weeks of training completed could be provided for job search up to a maximum of 12 weeks.

The SITI was an amendment to section 36 of the EI Regulations. Section 36 of the EI Regulations requires that any earnings that are paid or payable by reason of a lay-off or separation (e.g. severance pay or any payment of outstanding entitlement to unused benefits such as vacation pay or accumulated sick leave credits) must be allocated from the week of lay-off or separation based on the claimant's normal weekly earnings. This allocation of separation monies delays the payment of EI benefits. The amendment made to section 36 of the EI Regulations removed this allocation for claimants who met the definition of long-tenured worker and used their separation monies to cover the cost of a training in which they enrolled early in their claim. Claimants participating in the SITI with training of at least 20 weeks in duration were also entitled to the extension of EI benefits provided under the EEITI.

Eligibility Criteria

The CTA initiative was offered to EI claimants who met the definition of a long-tenured worker and who established a claim between January 25, 2009 and May 29, 2010.

A long-tenured worker is someone who:

- has contributed to the EI program (paid at least 30% of the annual maximum EI premiums) for at least seven out of the ten calendar years immediately preceding the start date of the EI claim; and
- has received no more than 35 weeks of EI regular benefits in the five years immediately preceding the start date of the EI claim.

All long-tenured workers who established a claim between January 25, 2009 and May 29, 2010 received a Service Canada letter notifying them of their eligibility for the CTA initiative. The letter provided information on the EEITI and SITI and encouraged claimants to visit their local employment service provider for more information. With the assistance

of their local service provider, interested claimants identified appropriate training and established a Return to Work Action Plan (RTWAP)[13] and/or received a referral under Section 25 of the EI Act.[14]

To participate in the EEITI claimants had to establish a RTWAP within the first 20 weeks of their claim or before August 23, 2009 for claims that started before the implementation of the CTA initiative (May 31, 2009). Moreover, to be eligible for the EEITI, the training had to meet the following criteria:

- be full-time;
- last for 20 weeks or more;
- be purchased by participants or financed by the P/Ts under EI Part II; and
- start within the first 52 weeks of the claimant's benefit period.

To benefit from the SITI, claimants had to receive separation payments and a Section 25 referral for eligible training had to be given within the period of allocation of severance monies, or within 6 weeks of notice of allocation for claimants whose allocation of separation monies was 5 weeks or less. In addition, the training had to meet the following criteria:

- be full-time;
- last at least 10 weeks or if the training was less than 10 weeks in duration, the course had to cost a minimum of $5,000 or 80% of the separation payments;
- be purchased by participants; and
- start within the first 52 weeks of the claimant's benefit period.

Table 1 summarizes the eligibility criteria for the EEITI and SITI.

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[13] A RTWAP outlines the steps to be taken by the claimant to re-enter the workforce. It is developed by the claimant and the Employment Assistance Services Case Manager.

[14] Section 25 of the EI Act empowers authorized staff (e.g. Case Managers) to refer claimants to courses or training programs or any other employment activities to facilitate their return to the labour market. A referral under Section 25 allows claimants to continue to receive EI benefits during the period they are participating in the referred course, training program or employment activity.

Table 1: Eligibility Criteria for the CTA Initiative		
Criteria	**EEITI**	**SITI**
Received Separation Monies	Not required	Required
Course Intensity	Full-time	Full-time
Course Duration	20 weeks or more	10 weeks or more; or if less than 10 weeks, the course must cost a minimum of $5,000 or 80% of separation payments
Who Pays	EI Part II (P/T) or Claimant	Claimant
Course Start Date	Within first 52 weeks of claim	Within first 52 weeks of claim
Section 25 Referral	Required	Required
Timing of Section 25 Referral & Active Return to Work Action Plan (RTWAP)	1. For claims that started between January 25 and May 30, 2009: claimants must have a RTWAP before August 23, 2009.	1. If allocation of separation monies is 5 weeks or less: the section 25 referral must take place within 6 weeks of notice of allocation.
	2. For claims that start between May 31, 2009 and May 29, 2010: claimants must have a RTWAP within 20 weeks of the start of their claim.	2. If allocation of separation monies is more than 5 weeks: the section 25 referral must take place within the period of allocation.

2.3 Implementation Context

The CTA initiative was delivered jointly by Service Canada and the provinces and territories (P/Ts). Service Canada identified and informed potential CTA participants of their eligibility while the P/Ts were responsible for the client assessment and training approval processes.

The P/Ts were already offering training programs to EI eligible individuals under the *Labour Market Development Agreements* (LMDAs). In some P/Ts, the CTA initiative was incorporated into existing LMDAs program.

3. Key Findings

3.1 Need for the Program

Q-1: Do long-tenured workers take more time to secure new employment than non long-tenured workers?

There is a lack of literature in Canada and elsewhere focusing on the unemployment experience of long-tenured workers. Nonetheless, there are two Canadians studies on the unemployment durations of related population (i.e. population likely to meet the definition of long-tenured workers) that suggest that long-tenured workers are likely to suffer from longer periods of unemployment.

Brozozowski & Crossley (2010) examined the situation of older workers who became unemployed in 1995. They found that relative to their younger counterparts (35-49 years), older job-losers (50-64 years) had longer initial spells of joblessness. The mean difference (which was calculated using completed spells) was over three weeks (14.9 versus 11.3 weeks), and was statistically significant. The median difference (which was calculated using complete and incomplete spells) was considerably larger and again strongly statistically significant (29.7 versus 17.0 weeks). The fraction employed at the second interview (approximately one year after the job loss) was also significantly higher for the mid-career job losers (54% versus 43%).

Bernard (2009) analysed the situation of job losers in the manufacturing sector. The author found that in 2008, the average expected duration of a new unemployment spell was slightly longer for manufacturing workers (11.8 weeks) than for non-manufacturing workers (9.7 weeks). This difference persisted even after controlling for age and sex differences between the two sectors.

Q-2: Are long-tenured workers typically able to find new jobs that paid earnings comparable to their old jobs?

The best Canadian evidence on that question comes from Morisette, Zhang and Frenette (2007), Schirle (2007) and Gray and Finnie (2009). The balance of findings is that many displaced workers cannot avoid an earnings loss. These losses are substantial for workers who had built up significant tenure in the pre-displacement job. Numerically, an overall figure would be around 25-30% for those with at least five years of tenure with a lower figure of perhaps 20% for all displaced workers at all seniority levels. Moreover, such earnings losses are typically long-lived, with no sign in the data that they dissipate even five years after the displacement.

Q-3: Do long-tenured workers need skills upgrading to deal with their earning losses?

Recent qualitative evidence suggests that some long-tenured workers need skill upgrading to find employment with earnings comparable to their pre-displacement wages. Long-tenured workers who participated in the focus groups held for the evaluation of the EEILTW (non CTA participants) discussed the challenges faced specifically by long-tenured workers when unemployed. Participants who had worked in manufacturing jobs that did not exist anymore mentioned the need to retrain for two or three years to obtain permanent employment at a salary level similar to what they had earned. Older participants noted the need for acquiring the credentials they did not have (and did not need when they first entered the workforce) but that were now required in their field or industry.

While there might be a need for training, it is not clear whether training investment does help long-tenured workers recover their pre-displacement wages. The impacts of training participation on labour markets outcomes of EI claimants (e.g. re-employment probabilities and earnings) are assessed as part of evaluations of the Labour Market Development Agreements (LMDAs) conducted jointly by ESDC and the P/Ts on a regular basis. Forthcoming results for the population of long-tenured workers will help address the question of the effectiveness of training for this specific population.

The most credible evaluation literature (mostly American) on training programs for displaced workers suggests however that this type of intervention is relatively ineffective. Findings from a recent Canadian study are nevertheless encouraging. Frenette, Upward and Wright (2011) found that workers who attended post-secondary education shortly after displacement saw their earnings increase by almost $7,000 more than displaced workers who did not. However, no significant effects were found for men aged 35 to 44 years.

3.2 Alignment with Government Priorities

Q-4: Are there positive social benefits to investment in training for long-tenured workers? Are these benefits sufficient to justify public investment in training?

There are several reasons to believe that the social benefits of training exceed the private gains. For example, when job losses are concentrated in particular communities or regions, training participation can reduce the congestion effect that makes job search difficult. Training can also reduce reliance on EI and income assistance. Moreover, training can have wider effects such as reducing illegal activity and increasing community participation.

However, it is also possible that the private gains from training exceed the social benefits. The main reason for this stems from substitution (or "displacement" in a different sense), whereby trainees outcompete and substitute for non-trainees in jobs, achieving private gains with little or no overall social benefit in terms of improved employment.

These outcomes are however difficult to measure and credible evidence on the subject is limited.

Q-5: Are long-tenured workers facing barriers to investment in training? Do these barriers justify government's intervention?

A leading reason why there may be barriers to human capital investments in education and training is the existence of credit constraints.[15] There is mixed evidence on the importance of credit constraints for displaced workers.

Chapman, Crossley and Kim (2007) provide relatively direct evidence that credit constraint can limit investment in training among the unemployed in Canada. The authors however note that credit constraints are not the main reason why job losers do not undergo self-financed training. Rather, respondents indicated "doesn't need it" or "won't change job prospects" as reasons for not participating in training.

Results from the 2010 COEP survey support this finding as the main reasons given for a lack of interest in the CTA initiative were not related to credit constraints. Only 5% of respondents indicated that they did not participate in the CTA initiative for financial reasons, or because a lack of money prevented it (see Q-20).

On the other hand, the majority of participants to the CTA focus groups said that they would not have trained without the CTA initiative because they could not afford an extended period of time with no income.

3.3 Alignment with Federal Roles and Responsibilities

Q-6: Is government support offered to long-tenured workers pursuing significant training consistent with federal roles and responsibilities?

Part I of the EI program provides temporary financial assistance to workers who have lost their job through no fault of their own while they look for work or upgrade their skills. In other words, Part I subsidizes job search and career development by providing temporary income support to eligible unemployed individuals.

[15] Individuals are credit-constrained when they have limited access to external financing. Access to credit can be limited for individuals who want to invest in human capital since they cannot sell rights to their future labour earnings to potential lenders in order to secure financing for their training.

The provision of EI benefits under Part I support ESDC's Strategic Outcome 1: *A skilled, adaptable and inclusive labour force and an efficient labour market.*

By providing additional EI Part I benefits to eligible unemployed individuals who invested in training, the CTA initiative aimed at improving the re-employability of unemployed long-tenured claimants. The approach and objective of the CTA initiative are consequently consistent with the purpose of the EI program and ESDC's strategic outcomes.

3.4 Achievement of Expected Outcomes

Q-7: Were eligible long-tenured workers aware of the CTA initiative?

About a year after their job loss, long-tenured workers who did not participate in the CTA initiative were asked, as part of the COEP survey, if they were aware of the initiative. About half (51.6%) of non-participants responded that they were not aware of the CTA initiative. This figure might however capture problems in recall and underestimate the awareness of the CTA initiative.

Nevertheless, about 69% of non-participants who were not aware of the CTA initiative said that they would have been interested in participating in the initiative. This number suggests that participation in the CTA initiative could have been higher. It is however likely that less respondents would have shown an interest in the initiative if they had been told about the CTA requirements (i.e. course intensity, duration, start date, etc.).

Q-8: What percentage of those eligible participated in the CTA initiative?

During the in-take period of the CTA initiative (from May 31, 2009 and May 29, 2010), 627,040 claimants were eligible to participate in the initiative and 61,555 were potentially eligible.[16] All of these 688,595 claimants were notified of their status via letter by Service Canada.

Table 2 shows that among these 688,595 claimants, 11,356 enrolled in the CTA initiative, for a take-up rate of 1.6% (or 1.8% if potentially eligible claimants are not counted). The CTA initiative was more prevalent in the Atlantic Provinces (with the exception of Newfoundland), Quebec and Manitoba where the take up rate was above 2%. The lowest participation rates were observed in Alberta (0.6%) and the Northwest Territories (0.1%).

[16] Potentially eligible claimants were claimants who had incomplete information on EI premium contribution but who met the other eligibility criteria for the CTA initiative. These claimants had to provide additional information to their employment service provider to determine their eligibility.

Table 2 also shows that more long-tenured workers chose to participate in other training than in CTA training. The take-up rate of other training was 6.7% compared to 1.6% for CTA training. Other training programs were, on average, shorter in duration (see Table 5) which might explain why many long-tenured workers opted to train outside the CTA initiative.

Nevertheless, Table 3 shows that for some categories of training, more long-tenured workers participated in the CTA initiative than in other training. This was the case for training that lasted between 40 and 89 weeks. Overall, the take-up rate of CTA training that was between 40 and 89 weeks in duration was 0.8% (5,804 participants) compared to 0.5% (3,303 participants) for other training of similar duration.

Table 2: Training Participation of Long-tenured Workers by Province

	All long-tenured workers (LTW)	CTA participants		LTW who participated in other training	
		Frequency	Take-up rate	Frequency	Take-up rate
Total	**688,595**	**11,356**	**1.6%**	**46,216**	**6.7%**
Newfoundland	9,664	136	1.4%	929	9.6%
Prince Edward Island	2,866	92	3.2%	583	20.3%
Nova Scotia	16,229	394	2.4%	903	5.6%
New Brunswick	14,944	364	2.4%	1,082	7.2%
Quebec	175,360	3,864	2.2%	7,127	4.1%
Ontario	266,440	4,143	1.6%	13,584	5.1%
Manitoba	18,591	523	2.8%	1,953	10.5%
Saskatchewan	13,383	207	1.5%	1,841	13.8%
Alberta	79,611	450	0.6%	9,834	12.4%
British Columbia	89,216	1,175	1.3%	8,137	9.1%

Table 2: Training Participation of Long-tenured Workers by Province					
Northwest Territories	1,012	1	0.1%	168	16.6%
Yukon	571	7	1.2%	75	13.1%
Outside Canada	708	0	0.0%	0	0.0%

Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010.

Table 3: Training Participation of Long-tenured Workers by Training Duration				
	CTA participants		**LTW who participated in other training**	
	Frequency	Take-up rate	Frequency	Take-up rate
Total	**11,356**	**1.60%**	**46,216**	**6.70%**
Less than 20 weeks	1,341	0.19%	36,118	5.25%
20 weeks or more	**10,015**	**1.45%**	**10,098**	**1.47%**
20 to 29 weeks	1,518	0.22%	3,606	0.52%
30 to 39 weeks	2,396	0.35%	2,542	0.37%
40 to 49 weeks	1,732	0.25%	1,328	0.19%
50 to 59 weeks	1,301	0.19%	891	0.13%
60 to 69 weeks	1,735	0.25%	514	0.07%
70 to 79 weeks	648	0.09%	329	0.05%
80 to 89 weeks	388	0.06%	241	0.03%
90 to 99 weeks	129	0.02%	182	0.03%
100 weeks or more	168	0.02%	465	0.07%
40 weeks or more	**6,101**	**0.89%**	**3,950**	**0.57%**

Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010.

As shown in Table 4, participation in the CTA initiative was mainly driven by participation in the EEITI. The vast majority of CTA participants (93.6%) trained under the EEITI, 5.5% took advantage of both the SITI and the EEITI, and 0.9% participated in the SITI only.

Among the 6.7% of long-tenured workers who pursued training outside the CTA initiative, the majority (about 69%) participated in the Skills Development (SD) program and benefited from the financial assistance provided under this program by the provinces and territories.

Only 1.9% of long-tenured workers took non-referred training and did not receive financial support through EI for their training.

Table 4: Training Participation of Long-tenured Workers by Training Type

	Frequency	Distribution	Take-up rate
Long-tenured workers who participated in the CTA	**11,356**	**100%**	**1.6%**
Extended Employment Insurance and Training Incentive (EEITI)	10,624	93.6%	1.5%
Severance Investment for Training Initiative (SITI) & EEITI	629	5.5%	0.1%
SITI only	103	0.9%	0.0%
Long-tenured workers who participated in other training	**46,216**	**100%**	**6.7%**
Skills Development (SD)	13,971	30.2%	2.0%
SD Apprentice	17,692	38.3%	2.6%
Apprentice	292	0.6%	0.0%
Non-referred Training	12,892	27.9%	1.9%
Aboriginal Human Resource Development Agreement (AHRDA)	339	0.7%	0.0%
Missing	1,029	2.2%	0.1%

Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010.

Q-9: What is the detailed profile of CTA participants?

The typical CTA participant was male (representing 57% of participants), living in Ontario (37%) or Quebec (34%), aged between 30 and 49 years old (71%), married or in a common law relationship (67%), holding a college, trade or professional degree (39%), first time EI user (51%), had less than five years of job tenure (78%), was previously working full-time (96%) as a permanent employee (94%) in the manufacturing (29%) or trade and transport (22%) industries.

When compared to the general population of long-tenured workers, the following groups were over-represented among CTA participants:

- Women represented 43.0% of CTA participants but only 34.0% of long-tenured workers;
- Individuals aged 30 to 49 years old (70.9% vs. 55.6%);
- Residents from the Atlantic Provinces (8.7% vs. 6.3%), Quebec (34.0% vs. 25.3%) and Manitoba (4.6% vs. 2.7%);
- First time claimants (50.9% vs. 47.8%);
- Claimants with at least five consecutive years of job tenure with the previous employer (21.2% vs. 17.8%);
- College, trade or professional degree holders (39.4% vs. 27.2%);
- Former permanent employees (94.0% vs. 85.2%);
- Former workers from the manufacturing (28.7% vs. 19.0%) and trade and transport industries (22.1% vs. 15.9%).

Q-10: What are the characteristics of the training attended by CTA participants?

CTA participants took full-time training (29 hours per week on average) that had an average expected duration of 44 weeks (see Table 5).

By comparison, the majority (60%) of long-tenured workers who trained outside the CTA initiative enrolled in part-time courses (16 hours per week on average) that lasted 16 weeks on average.

Table 5: Expected Duration of Training		
	Weeks Average	Median
	(N=11,356)	
Career Transition Assistance (CTA)	**44**	**41**
Extended Employment Insurance and Training Incentive (EEITI)	45	42
Severance Investment for Training Initiative (SITI) & EEITI	48	46
SITI only	20	17
	(N=46,216)	
Other Training	**16**	**9**
Skills Development (SD)	23	13
SD Apprentice	10	7
Apprentice	10	7
Non-referred Training	15	8
Aboriginal Human Resource Development Agreement (AHRDA)	***21***	***15***

Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010.

About 56% of CTA participants trained on a college campus, 12% attended a business or commercial school and 7% had a course that took place in a elementary or high school. The balance of CTA training occurred in other facilities.

As shown in Table 6, almost all CTA training (93%) was leading to a diploma. For the majority of participants (65%) it was a college, trade or vocational diploma.

Table 6: Type of CTA Training	
QLT8 Is/was the training leading to a certificate, diploma or degree?	**(N=665)[1]**
Yes	92.7%
No	7.1%
Don't know	X
QLT9 Is/was this a ...	(N=612)[2]
High school diploma	X
Trade or vocational diploma/certificate	28.1%
Community college or CEGEP certificate or diploma	36.7%
Technical institute diploma or certificate	10.2%
Professional association diploma/certificate/licence (e.g. accounting, banking, insurance)	6.8%
Another certificate, diploma or degree	13.1%
Don't know	X

Source: 2010 COEP Survey.
Figures are based on the weighted number of respondents.
X Figures based on less than 30 respondents are suppressed.
[1] Long-tenured workers who participated in the CTA (QLT3=1).
[2] Long-tenured workers who participated in the CTA (QLT3=1) and took training leading to a certificate (QLT8=1).

The average tuition cost for CTA training was about $8,000. Survey respondents were asked to identify the main source of money they used to pay for their CTA training. About 34% said "EI benefits" and 33% said "a government program other than EI or student loans". Only 6% relied mainly on their "personal savings" to finance their course. The remaining participants used another main source of funding such as job separation monies, money from a family member, credit, government student loan, union or employer.

Q-11: Were participants satisfied with their service providers? What are the reasons for being satisfied or dissatisfied?

Participants to the CTA focus groups discussed their experiences with their service providers and raised some issues they encountered.

A few participants said they had to make a decision on training programs more quickly than they would have liked, and said they might have made a different decision had they been allowed more time. Several participants also said they had a bit of difficulty with the service provider not appearing to know much about the CTA initiatives (Kitchener, Vancouver, Montreal). However, these issues did not appear to cause any major problems.

There were several participants who said they felt unduly pressured by the service provider to select a particular career/training option – and all but one of these participants said they successfully resisted the pressure and got the career/training option they wanted. So overall, perceived "undue pressure" from service providers to choose a particular career/training option was not a problem.

The focus groups conducted for the evaluation of the EEILTW reveal that the experience of long-tenured workers who did not participate in the CTA initiative was less positive. Several participants expressed a desire to upgrade their skills, retrain or pursue additional certifications or qualifications to secure permanent employment, and frustration at the lack of support available through EI to do so. Many spoke of frustrations with eligibility criteria for existing programs, including the Second Career program in Ontario.[17] Some participants spoke of experiencing difficulties in obtaining information on Second Career and their potential eligibility for this program. One Oshawa participant reported first being told she was eligible and then being refused after having taken the time to apply, and of being "crushed" by the news.

Q-12: Was the training attended the desired choice of individuals? If not, what prevented participants from attending their preferred training course?

Survey respondents who participated in the CTA were asked whether their training was their first choice or if they would have preferred some other type of training or education. The vast majority of participants (84%) said that they were able to take their first choice training.

The CTA focus group findings are consistent with this result. Most participants said that they got their first choice training option. And those who did not get their first choice said they were still satisfied with the training option they ultimately decided upon.

Selection of training

Even though most focus group participants were happy with their choices, there was quite a bit of diversity in the process by which the training was decided upon. The following experiences were mentioned by at least some participants:

[17] In Ontario, the CTA initiative was integrated into the Second Career program.

- The participant knew what type of career and training they wanted before meeting with the service provider, and the process consisted of compiling a justification for the choice – which was typically accepted by the service provider.
- The service provider did not present any training options, but rather told the person to identify and justify their own training preference. The service provider gave the person general resources, but there was little or no presentation of specific options by the service provider.
- The service provider presented and discussed some training options.
- The service provider referred the person to an assessment and/or counseling program. In these programs the participant was guided in identifying and choosing for themselves a career and perhaps training option.

Overall, it appeared that typically participants themselves played the major role in identifying and researching the specific training program to which they wanted to apply.

Reasons for not getting the first-choice training

Among the minority of CTA participants who could not get their first choice option, by far the most common issue was that they had to take a shorter training course than they would have preferred. In this regard, it should be noted that most participants received both EEITI and provincial funding. Participants were not always sure or clear on whether the relevant rules were those for the EEITI or for the province. Some attributed the reason to the EEITI, and needing to take a training program short enough such that EI payments would continue through the duration of the course. Some attributed the reason to provincial funding rules – for example, some wanted a program that lasted more than 2 years, but said the province would not pay for programs longer than 2 years. Some participants were unsure or confused about the role of provincial rules versus EEITI rules as the cause of the issue.

Q-13: What percentage of the SITI participants also benefited from the extension of benefits under the EEITI?

As previously shown in Table 4, out of the 11,356 CTA participants, only 732 (or 6.4%) took advantage of the SITI. And the majority of these SITI participants (86%) also benefited from the EEITI.

Q-14: How soon did CTA participants identify training, establish a return to work action plan and start their training after being laid off? What factors influenced these decisions?

With the requirements regarding the timing of Section 25 referral and the establishment of the RTWAP (see Table 1), the CTA initiative was designed to encourage LTW to take training decisions early in their benefit period.

The EI administrative files include a variable for the date at which the training was set-up into the system (process week). However, in about 50% of the cases, the training was set-up after the start date of the training. For this reason, the process week variable was not used as an indicator of the date of the establishment of the RTWAP.

The EI administrative data can nevertheless provide information on the start date of training. Table 7 shows that on average, CTA participants started their training 22 weeks after the beginning of their benefit period, about 6 weeks earlier than SD trainees but later than other types of trainees.

Table 7: Weeks Between the Start of a Claim and the Start of Training

	Average number of weeks [1]
	(N=11,356)
Career Transition Assistance (CTA)	**22**
Extended Employment Insurance and Training Incentive (EEITI)	22
Severance Investment for Training Initiative (SITI) & EEITI	20
SITI only	19

Table 7: Weeks Between the Start of a Claim and the Start of Training	
	(N=46,216)
Other training	**20**
Skills Development (SD)	28
SD Apprentice	6
Apprentice	18
Non-referred Training	21
Aboriginal Human Resource Development Agreement (AHRDA)	19

Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010.

[1] Calculated as *training start week - benefit period commencement (BPC) week* for claimants who established a claim after the implementation of the *CTA and as training start week - CTA implementation week* for claimants who established a claim before the implementation of the CTA.

Factors influencing the timing of the establishment of a RTWAP and start date of training

Key informants identified some factors that potentially influenced the timing of the establishment of a RTWAP and start date of training.

The first factor is related to how some claimants deal with becoming unemployed. Many key informants commented that for some claimants, the period immediately after losing a job, particularly for long-tenured workers, may be marked by uncertainty over "what to do" and stress or depression. Quite a few key informants commented that in their general experience, it is common for people to focus first on trying to find a job, and to begin exploring training only as they are nearing the end of their EI benefits. Some suggested this inclination to first focus on trying to find a job is likely particularly strong among long-tenured workers: such workers may have been earning quite a good income, and may have a lifestyle and ongoing living expenses to match that income. They may have difficulty living on EI, and therefore strongly prefer getting another job over "taking time out" to pursue training. This focus on first trying to find a job can lead to delay in exploring training as an option.

The second factor is the very limited number of training program start dates, particularly in public colleges. A claimant may often have little control over when training starts, as this is determined by which institutions in the geographic area offer programs and what the programs' scheduled start dates are.

Q-15: On average, how much earlier did EI benefits start under SITI?

The weeks during which the allocation of separation monies occurs are normally recorded in the EI administrative files. This information was however not recorded for SITI participants since their allocation of separation monies was cancelled.

The COEP survey nevertheless contains information about earnings and separation payments that can be used to derive the effect of the SITI on the timing of the receipt of EI benefits. As shown in Table 8, long-tenured workers who received separation monies earned on average $1,519 per week at their previous job and they received $12,065 in severance payment when they were laid off. The allocation of earnings would normally delay the date on which these individuals begin receiving EI benefits by 12 weeks. This suggests that SITI participation would have allowed long-tenured workers to receive EI benefits 12 weeks earlier than normally.[18]

Table 8: Separation Monies

QSP1 When you stopped working on [REO date], did you receive any money other than your regular pay from your employer? Such separation money could include severance pay, lump sum pension payments, retirement allowances, or payments for unused vacation.	**(N=3,864)[1]**
Yes	38.1%
No	61.0%
Don't know	0.9%
QSP2 How much did you receive in separation money from your employer in total?	**(N=1,039)[2]**
Average	$12,065
Weekly earning	
Average	$1,519
Number of weeks of allocation = separation money / normal weekly earnings	
Average	12.0

Source: 2010 COEP Survey.

Figures are based on the weighted number of respondents.

[1] Long-tenured workers who were not self-employed (QROE2A≠2).

[2] Long-tenured workers who were not self-employed (QROE2A≠2) reported an amount for QSP2 and had non missing values for QROE9A2 and QROE9B (used to calculate weekly earnings).

[18] Note that the number of SITI participants who responded to the COEP survey was too small to report the effect of the SITI on this more relevant population.

Q-16: On average, how many weeks of EI benefits were granted for job search?

The CTA initiative extended entitlement to EI regular benefits to cover the period of training. The extension was granted from the date regular benefits exhausted to the date the training ended, up to a maximum benefit period of 104 weeks.

CTA participants were also eligible to receive one week of regular benefits for every 5 weeks of training completed up to a maximum of 12 weeks, as long as these weeks were within the maximum benefit period duration of 104 weeks. If after the claimant completed the training course, there were still weeks of regular benefits remaining, these weeks were paid first which reduced the number of job search weeks granted.

Table 9 shows that the vast majority of CTA trainees (93.4%) were in training when their EI regular benefits exhausted and they therefore received an extension of benefits, of 42 weeks on average. About 67% of CTA participants were eligible for job search weeks. On average, these individuals were eligible to receive 9 weeks of EI benefits to facilitate their job search. Less than half of participants (31.8% of 66.6% = 48%) who had a positive entitlement of job search weeks did receive EI benefits for job search. On average, 6 weeks of benefits were paid to these participants.

Table 9: Additional EI Benefits Provided to CTA Participants

	CTA participants (N= 11,356)
Training weeks	
% of participants with training weeks paid	93.4%
Number of training weeks paid	42.0
Value of training weeks paid[1]	
Job search weeks	
% of participants with job search entitlement weeks	**66.6%**
Number of job search entitlement weeks	9.2
% of participants with job search weeks paid	31.8%
Number of job search weeks paid	5.9
Value of job search weeks paid[1]	$2,323

Table 9: Additional EI Benefits Provided to CTA Participants	
Total extra weeks (training and job search)	
% of participants with extra weeks paid	93.4%
Number of extra weeks paid	44.0
Value of extra weeks paid1	$17,597
Source: EI Data Files (August 2012 update) - All claims established by long-tenured workers (LTW) and potential LTW between January 25, 2009 and May 29, 2010. [1] Estimated by multiplying the BENEFIT RATE with the number of extra weeks paid.	

Q-17: What percentage of CTA participants left training before completion?

More than two years after the end of the CTA initiative, about 24% of CTA participants did not have any of their courses coded as "completed" in the EI files. The non-completion rate observed for other types of training was similar (22%) which suggests that leaving training prior to completion was not an issue specific to the CTA initiative.

Q-18: What were the reasons for not completing training?

At the time of the COEP survey (between September 2010 and December 2010), only 6% of CTA participants said that they definitely quit their training. The reasons for non-completion for these drop-outs could not be analysed due to the small sample size.

Q-19: What were the reasons for participating in the CTA initiative?

Survey respondents identified the following reasons for participating in the CTA initiative:

- 35.1% said that they wanted to upgrade their skills or obtain a certificate;
- 33.5% said that they wanted to increase their chance of finding work;
- 26.8% said that they wanted to change occupation or industry; and
- 12.5% said that they could not find a suitable job.

Focus group participants mentioned similar reasons for their participation in the CTA initiative.

- The majority of focus group participants trained to change occupation or industry. These participants wanted to "start over" in areas of higher demand by employers. For example,

participants who had been working in manufacturing cited plant closures or general downsizing/closures in their area, and some participants said their sector had been hard hit by the recent recession (e.g. the financial sector). Some participants said they had been working in a sector that historically had low job security and wanted to change to a sector with higher job security. Several older workers undertook training to get into a new area for health reasons. That is, because of their health they could not easily handle the physical or mental stress of the work they had been doing, and needed to "start over" in a less demanding type of work.

- The balance of participants wanted to upgrade their skills or obtain formal credentials. The intent for those who wanted to upgrade their skills may have been to shift to a related occupation with higher demand (e.g. change from graphic design to web design), to upgrade skills that were no longer up to date, or to broaden the range of jobs for which one is competitive (e.g. an engineer who wanted to add training in project management). The situation of participants who wanted to obtain formal credentials was that they had acquired considerable experience at their previous employer doing a type of work for which there are certificates or diplomas, but they did not have the certificate or diploma. They thought they were not competitive on the job market with people who have the formal credentials, and they probably could only get lower-level jobs than what they had been doing. Therefore, they undertook training to get these formal credentials so that they could get jobs commensurate in skill and income with what they had been doing before.

Overall, for most participants the main motive was to improve their economic prospects by taking training that would make it easier for them to get a good job than would be the case with their current skill set.

Q-20: What were the reasons for not participating in the CTA initiative?

Survey respondents who did not participate in the CTA initiative were asked to provide their reasons for non-participation or lack of interest.

- The most common reason given for non-participation in the CTA initiative was work related. At least a third of respondents said that they were not interested in the initiative because they found work, decided to work instead or expected to return to the same employer.
- The second most common reason was the absence of need for training. Between 20% and 28% stated that they did not need the CTA initiative or that the initiative would not help them get a job.
- The type of training offered was the third most common reason for non-participation in the CTA initiative. About 13% of non-participants who were aware of the initiative said that the available training did not fit their needs, they did not want the training available in their area or they did not want to have such long training.

The lack of awareness could also be a reason for non-participation since only about half of eligible claimants were aware of the initiative (see Q-7). And the majority (69%) of the non-participants who were not aware of the CTA initiative said that they would have been interested in participating in the initiative.

Interestingly, credit constraint was not found to be a very common reason explaining non-participation in the CTA initiative. Indeed, only 5% of survey respondents said that they did not participate in the initiative for financial reasons or because a lack of money prevented it.

Similarly, the complexity of the CTA initiative was not a frequently cited barrier to participation in the initiative. Only about 5% of survey respondents said that they did not participate in the CTA initiative because the rules were too complex or they did not have enough information.

Factors explaining low SITI take up

Key informants mentioned some reasons why interest in, and use of, the SITI was so low in their area.

- Several key informants said there were relatively few claimants in their area who received severance due to the nature of the local economy.
- Some key informants said quite a few of the claimants they saw who had received severance had already spent all or much of the money, or their severance allocation period had expired.
- Key informants said that almost all claimants who still had severance money believed they were economically better off using provincial funding for schooling costs rather than using their severance money. Notably, the key informants shared this view. Some in fact admitted they found the SITI confusing, and had a hard time explaining it to clients as an alternative option to receiving EI Part II provincial funding for schooling costs. When we asked key informants to describe the circumstances or profile of a claimant who would benefit from using the SITI, most struggled with answering the question, and some could not come up with a ready answer.

Just over half of focus group participants (about 40 participants) claimed to have received a severance payment but only 4 participants participated in the SITI (and all 4 also participated in the EEITI). The large majority of those who said they received a severance payment said the possibility of participating in the SITI was not raised by the service provider. It appears the reason why more did not hear about or participate in the SITI was because by the time they saw the service provider about the CTA initiatives, the severance was "gone", i.e. the allocation period for the severance was over and the person had started receiving EI payments.

Q-21: Did the CTA initiative increase the number of long-tenured workers participating in training?

About 47% of survey respondents who participated in the CTA initiative indicated that they would not have taken any training without the initiative. This number suggests that the CTA initiative increased the number of long-tenured workers participating in training by 5,280 (46.5% of 11,356).

The majority of focus group participants also said that they would not have taken any training without the CTA initiative. In addition, most of them also said that they would not have enrolled in training without the additional provincial funding they received and that helped them cover the cost of their program.

Key informants however believed that the majority of claimants would have proceeded with training without the CTA initiative. The main reason for this view is that the provinces are providing financial support to claimants enrolling in long-term training and for the majority of claimants this funding is sufficient to make the decision on whether or not to enroll in training. Nevertheless, key informants believed the CTA initiative still had some positive incremental effects. The most significant reason for this perceived increased was the "marketing" effect of the Service Canada letter notifying claimants of their potential eligibility for the CTA initiative. All key informants said this letter produced an increase in the number of claimants coming to the service providers enquiring about training. And a proportion of these claimants who ended up enrolling in the CTA initiative might never have considered training without the information letter they received. Key informants also said that the additional EI Part I benefits paid to CTA participants replaced the living allowance the province would have had to pay to some claimants participating in training. The money freed up was used to support more clients and help increase the number of long-tenured workers participating in training. Moreover, the EI Part I benefits provided under than CTA initiative were usually larger than the living allowance paid by the provinces and this improved affordability was believed to have made a difference in the decision to enrol in training for some claimants.

Finally, the econometric study estimated the impact of the CTA initiative based on a counterfactual, that is, a comparison group that provides a good approximate of what would have happened to CTA participants in the absence of the initiative. Results suggest that the EEITI had no statistically significant impact on training participation while the SITI increased participation by a modest 0.049 percentage points.[19] The author of the study notes that the small and insignificant effect of the CTA initiative is expected if there is transferability of skills in the labour market. When skills are transferable across industries and occupations, there are no strong incentives for the newly unemployed workers to invest in new skills through training since re-training is not necessary to find new jobs. Many

[19] This suggests that in the absence of the SITI, the training participation rate of long-tenured workers with severance monies would have been 0.05% (0.1-0.049) instead of 0.1% (see Table 4).

workers' skills are most likely general in nature and can be applied in a range of industries and occupations. This possibility is also supported by the data that show a relatively low incidence of training.[20]

Q-22: Did the CTA initiative encourage long-tenured workers to make training decision and start training earlier in their benefit period?

Making training decisions earlier

Among the minority of focus group participants who probably would have undertaken training without the CTA initiatives, the majority said the initiative had no impact on the timing of their training decisions.

Still, several focus group participants said they made decisions sooner than they might have otherwise because without the CTA initiative they might have worked for a while before starting training. The maximum duration of EI benefits was also a factor motivating quick decision-making for some participants. These participants were concerned about the EI payments stopping before they completed the training program, and sometimes made adjustments to training duration (to a shorter duration) or to location of training (if the program is not offered soon at the preferred college) in order to ensure EI payments did not run out too soon.

Some key informants also thought that the 104-week maximum duration of the CTA initiative might have caused a relatively small number of claimants to make decisions about what program to attend more quickly, if the duration of the program and its start date was such that delaying the decision might cause the program to extend beyond the 104 weeks.

Key informants also believed that the Service Canada letter sent to long-tenured workers notifying them of the CTA initiative resulted in some claimants making training decisions earlier than they might have otherwise. However, many key informants believed the Service Canada letter could have been even more effective in terms of motivating timely action on exploring training options.[21]

[20] For example, Morisette, Zhang and Frenette (2007) report post-secondary attendance rates varying between 5% and 10% in 2007 for a sample of workers aged 25 to 44 year old in 2002.
Brozozowski and Crossley (2010) found that among job losers in 1995, the participation rate in training varied between 13% and 16% for individuals aged 35 to 49 years old, and between 5% and 10% for individuals aged 50 to 64 years old.

[21] See section 3.6 for more details on this issue.

Starting training earlier

As explained previously (see Q-14), determining whether the CTA caused some claimants to start training earlier is complicated by the fact that claimants have little control over when training starts.

Several key informants thought the 104-week benefit duration probably caused some participants to choose a training program that started earlier so that it would fit within the 104 weeks, but none of the participants were prepared to say the CTA initiative had a major impact overall on when claimants started training.

Q-23: Did the EEITI encourage long-tenured workers to participate in longer-term training?

Among the minority of focus group participants who said they probably would have enrolled in training without the CTA initiative, the typical view was that the CTA initiative had no impact on the duration of the training they took.

That said, several focus group participants did say they took longer training than they would have otherwise because of the CTA initiative. Of these several participants, all except one viewed this as a positive outcome. The one exception was a person who would have preferred a shorter course of study so they could return to work more quickly.
A few participants said that while the CTA initiative had no impact in terms of the duration of the training in the sense of the number of courses required for completion, the financial assistance meant they could take the courses on a full-time rather than part-time basis and therefore finish the training program more quickly.

Most key informants believed the EEITI had a positive impact in encouraging some long-tenured workers to participate in longer-term training than they might have otherwise, although none thought this effect was large. As mentioned previously, the reason for the latter view is that most provinces support 2 years or more of training, and key informants believed this support is sufficient for the majority of claimants to proceed with longer-term training. [22] Still, in many cases the EI amount was greater than the living allowance the province would pay and this improved affordability probably facilitated some claimants' decisions to take longer-term training.

About half (49%) of survey respondents who would have participated in training without the CTA initiative indicated that they would have taken a shorter training course without the initiative. Survey results therefore suggest that the CTA initiative encouraged about 26% of participants (49% of 53% who would still have pursued training without the initiative) to take longer training course.

[22] This suggests that the substitution (or "displacement") of provincial funds for federal funds may have attenuated somewhat the effect of the CTA initiative. This aspect of the initiative was outside the scope of the evaluation.

Even though the initiative seemed to have led only some claimants to choose longer term training, the average effect of the initiative on training duration was found to be positive and significant. The econometric study found that the CTA initiative increased training duration by 6-10 weeks on average.

Q-24: What features of the CTA initiative had the most impact in terms of encouraging individuals to participate in training?

Focus group participants identified two key program elements motivating their participation in long-term training: (1) the extension of EI benefits while in training, and (2) the provincial funding.

Most focus group participants received provincial funding. When asked whether they could have gotten by with just the provincial funding or just the extension of EI benefits, most said that both types of funding were essential. EI payments were perceived as covering daily living expenses, while the provincial funding was perceived as helping to pay for the cost of the training program. Most felt that the EI payments were not sufficient to also cover enough of the training program costs, and the provincial funding was not enough to pay for living expenses for the participant and their family.

Other features of the CTA initiative discussed with focus group participants included the extension of EI benefits during job search and the interaction with the service provider. Neither of these appeared to be significant in deciding participation in the initiative.

As mentioned previously (see Q-21 and Q-22) key informants believed the Service Canada letter was the feature of the CTA initiative that had the most important impact in terms of encouraging claimants to participate in training. The Service Canada letter was seen as getting some claimants to think about training who might not otherwise have considered training at all, or got claimants thinking about training earlier than they might have otherwise.

Q-25: Did the Extension of EI Regular Benefits for Long-Tenured Workers (EEILTW) lowered participation in the CTA initiative?

Results from the econometric study suggest that the Extension of EI regular benefits had no significant offsetting effects on participation in the CTA initiative.

Q-26: Did CTA participants think the initiative made a difference in their ability to find a job? Were there other perceived benefits of training?

The majority of CTA participants indicated that their training would help them find a job or improve their career opportunities. Compared to LTW who trained outside the CTA, a larger proportion of CTA participants said that their training would have a positive impact on their job prospects (93.3% vs. 77.4%).

Most focus group participants felt that their participation in the CTA initiative would improve their chance of getting a good job. With regards to other perceived benefits of training, for several older workers training was perceived to offer the possibility to improve their well-being as it would allow them to get out of a job they could no longer do for health reasons. Several participants said that the training increased their self-confidence, which had positive impacts on their belief in their ability to learn and on how they present themselves to employers in job interviews.

3.5 Demonstration of Efficiency and Economy

Q-27: What are the estimated costs of the CTA initiative?

The CTA initiative was delivered from May 31, 2009 to May 29, 2010. Since participants could remain on EI for up to two years after the beginning of their benefit period, expenditures for the initiative continued until May 2012.

The cost study estimated that ESDC spent $186.7 million in extended EI Part I benefits to support CTA participants over the years 2009-2010 to 2012-2013. ESDC's administrative costs for the first two years of the initiative (2009-2010 and 2010-2011) were estimated at $9.8 million.[23] Cumulatively, the Department spent $196.4 million for the CTA initiative over four fiscal years.

Since a total of 10,608 long-tenured workers benefitted from the extended benefits provided by the CTA initiative, the average unit cost of the initiative was estimated at $18,517. This estimate does not however take into account the costs incurred by the provinces and territories for the delivery of the CTA initiative and for the EI Part II support they provided to CTA participants. Moreover, this estimate does not include funds transferred to provinces and territories to support the delivery of employment services.

[23] Administrative costs include expenditures required to design systems changes, to develop and apply new integrity processes falling out from the CTA initiative, to develop new training and communications materials for front-line service providers, to respond to additional enquiries in Service Canada Center and Call Centre, and to manually process claims before system changes were implemented.

3.6 Program Delivery Issues

Q-28: Were there any challenges encountered in the delivery of the CTA initiative? Did these challenges have an impact on participation in the initiative?

Key informants were asked to describe challenges they experienced in the delivery of the CTA initiative and tell whether these challenges had an impact on claimant's participation in the initiative.

Only one challenge was perceived as having a notable impact on claimant participation in the CTA initiative, namely the requirement to establish a RTWAP within 20 weeks of the start of the claim. The other issues discussed were perceived as having a small effect or no effect on participation in the initiative.

Establishing an active RTWAP within the eligible period

All key informants believed there were claimants who might have participated in the CTA initiative but missed out on eligibility because of not establishing an active RTWAP within the eligibility period. The empirical basis for this perception was that service providers saw long-tenured workers who came in for information on training more than 20 weeks after the beginning of their claim. These claimants were therefore ineligible for the CTA initiative, although they still might have proceeded with training with the support of EI Part II funding.

There were two main perceived reasons mentioned by key informants for why some claimants interested in training did not come to see a service provider within the eligibility period.

The first reason is the Service Canada letter that was not seen as being as effective as it could have been in terms of motivating claimants to take timely action. Some claimants told their service providers that the letter was confusing or hard to understand. Some came to their service providers for explanation, but some said they ignored the letter as a result. The latter included claimants who came in after the 20 weeks eligibility period had expired. Key informants said the language used in the letter should have been simpler. The personal benefits of participation should also have been more clearly described by, for example, providing answers to the question "how could the CTA initiative help me?"

The second reason for why some claimants missed out on the 20 week eligibility period is related to the general behaviour of job losers. As previously discussed (see Q-14), job losers tend to first focus on trying to find work and consider training as an option only later in their claim, when their job search turned out to be unsuccessful. This pattern increased the risk of starting exploring training after the 20 weeks eligibility window.

Training opportunities

A challenge perceived as impacting CTA participation for some claimants was the availability of training opportunities. Particularly in public colleges, there is a very limited number of training program start dates, the most common being September. If a claimant starts exploring training within a few months of the program start date, the program may already be full. According to the key informants some claimants in this situation opted to wait for the next available start date but lost their eligibility for the CTA initiative because of not starting training within 52 weeks. Alternatively, some claimants decided to give up on pursuing training. Moreover, a couple of key informants who worked in small communities said that the number of local training institutions in their areas posed a challenge. As a result of limited choices, some claimants in these small communities did not undertake long-term training, and therefore did not make use of the CTA initiative.

Preparation for implementation

All key informants said there was not enough lead time for service providers to prepare implementation procedures and train staff. The problems with preparation for implementation were perceived to stem from Service Canada: lack of upfront consultation on the design of the initiative and how it relates to provincial programs and needs, very short lead times in providing information about the program, and the initial information provided about the initiative was too general to support development of detailed implementation procedures.

Some key informants also commented that local Service Canada staff appeared to know little about the CTA initiative and were unable to answer claimant questions. Several said the local Service Canada staff were not familiar with EI Part II funding criteria in the province, and gave out wrong information to claimants, which led to some difficult client-interaction situations for the service provider.

One key informant said they had to develop their own materials for financial counseling around the CTA initiative, and admitted that even by the end they were not sure if these materials were fully correct. Another key informant said that at one point they had three different versions of instructions on how to implement the CTA initiative. In Ontario, there seemed to be variability in the implementation of the initiative. While a few key informants said that eligibility for EI Part II funding and eligibility for the EEITI were linked (i.e. a claimant judged ineligible for EI Part II funding was also ineligible for the EEITI), one key informant said the two were not linked.

As a result, service providers and their clients experienced some frustrations and delays in the first months of implementation. Key informants however believed these problems had no or minimal impact on CTA participation. They felt that in the end clients were given appropriate advice and service with respect to the CTA initiative.

Handling the number of claimants

While most key informants suggested the Service Canada letter sent to long-tenured workers could have been written in a more impactful way, nonetheless, all felt the letter did produce a notable increase in the number of claimants coming to the service providers. Concurrently, the economic downturn also increased the volume of work and demands being put on service providers. Some key informants said that it was a challenge dealing with the increased numbers of claimants. They indicated this might have had a small impact on participation in the CTA initiative, due to processing or funding delays.

Issues with LMDA access

There were several different types of complaints about the information available to service providers through LMDA Access. One example was that several key informants said the online information was not always up to date in terms of coding long-tenured worker status. This led to delays in processing applications because their understanding was that the claimant had to be appropriately coded as a long-tenured worker before the application for the CTA initiative could be finalized. One key informant said there were a few claimants for which they were not able to get confirmation of long-tenured worker status, and who therefore did not participate in the CTA initiative, but did get provincial funding.

4. Conclusions and Lessons Learned

4.1 Conclusions

This synthesis report presented the main findings of seven studies conducted for the evaluation of the Career Transition Assistance (CTA) initiative. The CTA initiative was a temporary measure introduced in 2009 to help Employment Insurance (EI) claimants who were affected by the economic downturn and who needed skills upgrading to re-secure employment. By extending the duration of EI benefits and by allowing earlier access to EI benefits, the CTA initiative aimed at encouraging EI claimants who met the definition of long-tenured workers to participate in long term training (20 weeks or more).

While the take-up rate of the initiative was originally expected to be around 7%, only 2% (11,356) of eligible claimants, i.e. long-tenured workers, enrolled in the initiative. Expectations might have been over-optimistic however since the participation rate of long-tenured workers in other training programs lasting 20 weeks or more was around 2%.

Nevertheless, the evidence suggests that the initiative might have achieved, to some extent, its objective of increasing the participation rate of long-tenured workers in training. The survey and focus groups results suggested that many CTA participants (at least 47% or 5,280) would not have taken any training without the initiative. Findings from the econometric study and key informant interviews however implied that the CTA initiative had no impact or a limited effect on training participation.

The fact that long-tenured workers prefer to first focus on trying to find a job was the main reason for non-participation in the CTA initiative. The complex design of the initiative was not a significant driver of non-participation although some features of the initiative probably affected negatively the take-up rate. For example, the requirement that claimants enrol in training early in their claim was a factor believed to have limited participation in the CTA initiative. Another factor explaining the small incremental effect of the CTA initiative on training participation was the existence of provincial programs already providing similar benefits. Indeed, most provinces offer financial assistance, through EI Part II, to claimants on training for up to two years.

There is evidence suggesting that the CTA initiative succeeded in increasing the duration of training taken by long-tenured workers. About half of survey respondents who would have participated in training without the CTA initiative indicated that they would have taken shorter training courses without the initiative. And the econometric study estimated that the CTA initiative increased the duration of training taken by long-tenured workers by 6 to 10 weeks. The majority of focus group participants however said that the CTA initiative had no impact on the duration of the training they took and most key informants thought the effect of the initiative on training duration was not large.

The CTA initiative was successful at targeting the population of long-tenured workers who had limited employment opportunities and who needed to take training to improve their chance of finding a job. Moreover, almost all CTA training was leading to a diploma, which is key for starting over in a new occupation or industry. Furthermore, the vast majority of participants gave a positive assessment of their participation in long term training.

A total of $187 million was paid to CTA participants in additional EI Part I benefits and another $9.8 million was spent to administer the initiative. Since 10,608 participants received additional CTA benefits, the average unit cost of the initiative was about $18,500. Whether this number would pass a benefit-cost test depends on the effectiveness of CTA training at improving the economic situation of its participants and reducing their reliance on EI. These results will be examined as part of the evaluations conducted under the Labour Market Development Agreements (LMDAs).

4.2 Lessons Learned

The CTA initiative was a temporary measure that was not planned to be re-introduced. Consequently, no specific recommendations will be made. Lessons learned from the evaluation of the CTA initiative can nevertheless be used to make general suggestions about the design and implementation of government programs aimed at encouraging training participation of unemployed workers. These suggestions are presented below under three themes: Communications with clients; Eligibility criteria; and Program design and implementation.

Communications with clients

All key informants believed that the feature of the CTA initiative that contributed the most to the increase in the number of long-tenured workers participating in training was the "marketing" effect of the Service Canada letter sent to eligible claimants. This letter brought some claimants to think about training who might not have considered this option otherwise. However, most key informants also believed that the letter was not as impactful as it could have been based on claimant's feedback. Some claimants found the letter confusing and did not take timely action as a result. Others simply did not recall receiving the letter.

These findings show the importance of effective communication with potential clients. A letter written in simple language and explaining the potential personal benefit of participating in a program can lay the foundation for its success in terms of take-up.

Eligibility criteria

The CTA requirement that claimants register to training early in their claim period was not found to be consistent with how claimants typically deal with becoming unemployed. It is common for job losers to first focus on trying to find another job and consider training only later in their claim period. As a result, service providers saw claimants who started to explore training after the eligibility window for the CTA initiative. Similarly, the CTA requirement on the training start date could be difficult to meet as clients have little control over program start dates. Some claimants did not in fact participate in the CTA initiative because their training start date was outside the eligibility period.

More flexible eligibility criteria on the enrolment date and start date of training could therefore enhance participation in training. This could however delay the average start date of training. Which outcome - more claimants who upgrade their skills versus fewer claimants who do so but more quickly - is more desirable depends on the program objectives.

Program design and implementation

All key informants involved in the delivery of the CTA initiative said that there was not enough time for service providers to prepare implementation procedures and train staff. The problems with preparation for implementation were perceived to stem from Service Canada: lack of upfront consultation on the design of the initiative and how it relates to provincial programs and needs, very short lead times in providing information about the program, and the initial information provided about the initiative was too general to support development of detailed implementation procedures. Although the impact of these challenges on participation in the CTA initiative was believed to be minimal, there are indications that it did affect the quality and consistency of services to EI claimants.

The lesson to be drawn from this experience is that to avoid operational inefficiency that can negatively affect client services and ultimately program participation, Service Canada should consult with, inform and train service providers well in advance of program launch.

Appendix I – Evaluation Questions

Relevance

Issue #1: Need for the Program

1. Do long-tenured workers take more time to secure new employment than non long-tenured workers?
2. Are long-tenured workers typically able to find new jobs that paid earnings comparable to their old jobs?
3. Do long-tenured workers need skills upgrading to deal with their earning losses?

Issue #2: Alignment with Government Priorities

4. Are there positive social benefits to investment in training for long-tenured workers? Are these benefits sufficient to justify public investment in training?
5. Are long-tenured workers facing barriers to investment in training? Do these barriers justify government's intervention?

Issue #3: Alignment with Federal Roles and Responsibilities

6. Is government support offered to long-tenured workers pursuing significant training consistent with federal roles and responsibilities?

Performance (effectiveness, efficiency and economy)

Issue #4: Achievement of Expected Outcomes

7. Were eligible long-tenured workers aware of the CTA initiative?
8. What percentage of those eligible participated in the CTA initiative?
9. What is the detailed profile of CTA participants?
   - by region, gender, age, education, occupation, industry, earnings level, separation payment level, etc.
10. What are the characteristics of the training attended by CTA participants?
    - e.g. type of training, costs, duration, location, etc.
11. Were participants satisfied with their service providers? What are the reasons for being satisfied or dissatisfied?
12. Was the training attended the desired choice of individuals? If not, what prevented participants from attending their preferred training course?

13. What percentage of the SITI participants also benefited from the extension of benefits under the EEITI?

14. How soon did CTA participants identify training, establish a return to work action plan and start their training after being laid off? What factors influenced these decisions?

15. On average, how much earlier did EI benefits start under SITI?

16. On average, how many weeks of EI benefits were granted for job search?

17. What percentage of CTA participants left training before completion?

18. What were the reasons for not completing training?

19. What were the reasons for participating in the CTA initiative (e.g. change occupation/ industry, upgrade skills)?

20. What were the reasons for not participating in the CTA initiative (e.g. rules too complex, fear of not finding a job after training)?

21. Did the CTA initiative increase the number of long-tenured workers participating in training?

22. Did the CTA initiative encourage long-tenured workers to make training decision and start training earlier in their benefit period?

23. Did the EEITI encourage long-tenured workers to participate in longer-term training?

24. What features of the CTA initiative had the most impact in terms of encouraging individuals to participate in training (e.g. extension of EI benefits while in training, earlier access to EI benefits, financial support provided through the Skills Development program)?

25. Did the Extension of EI Regular Benefits for Long-Tenured Workers (EEILTW) lowered participation in the CTA initiative?

26. Did CTA participants think the initiative made a difference in their ability to find a job? Were there other perceived benefits of training?

Issue #5: Demonstration of Efficiency and Economy

27. What are the estimated costs of the CTA initiative (including EI part I, EI part II and administrative costs)?

Program Delivery Issues

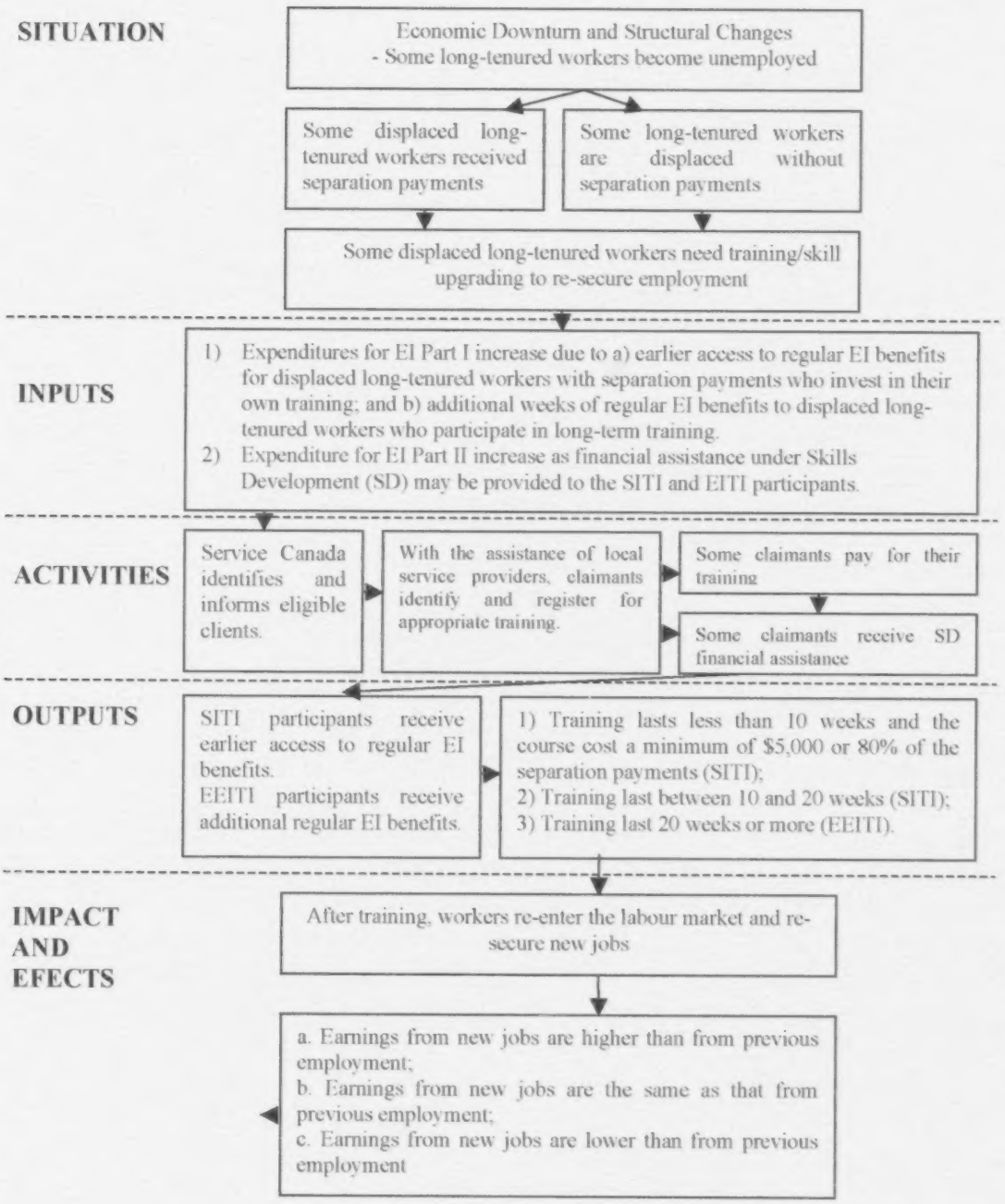
28. Were there any challenges encountered in the delivery of the CTA initiative (e.g. lack of EI part II funding)? Did these challenges have an impact on participation in the initiative?

Appendix II – Evaluation Matrix

	Literature Review	Descriptive Analysis	Econometric Studies	Focus Groups	Cost Study	Key Informants
Need for the Program						
1. Do long-tenured workers take more time to secure new employment than non long-tenured workers?	×					
2. Are long-tenured workers typically able to find new jobs that paid earnings comparable to their old jobs?	×					
3. Do long-tenured workers need skills upgrading to deal with their earning losses?	×					
Alignment with Government Priorities						
4. Are there positive social benefits to investment in training for long-tenured workers? Are these benefits sufficient to justify public investment in training?	×					
5. Are long-tenured workers facing barriers to investment in training? Do these barriers justify government's intervention?	×					
Alignment with Federal Roles and Responsibilities						
6. Is government support offered to long-tenured workers pursuing significant training consistent with federal roles and responsibilities?	×					
Achievement of Expected Outcomes						
7. Were eligible long-tenured workers aware of the CTA initiative?		×				
8. What percentage of those eligible participated in the CTA initiative?		×				
9. What is the detailed profile of CTA participants? - by region, gender, age, education, occupation, industry, earnings level, separation payment level, etc.		×				
10. What are the characteristics of the training attended by CTA participants? e.g. type of training, costs, duration, location, etc.		×				
11. Were participants satisfied with their service providers? What are the reasons for being satisfied or dissatisfied?				×		
12. Was the training attended the desired choice of individuals? If not, what prevented participants from attending their preferred training course?		×		×		
13. What percentage of the SITI participants also benefited from the extension of benefits under the EEITI?		×				

	Literature Review	Descriptive Analysis	Econometric Studies	Focus Groups	Cost Study	Key Informants
14. How soon did CTA participants identify training, establish a return to work action plan and start their training after being laid off? What factors influenced these decisions?		×				
15. On average, how much earlier did EI benefits start under SITI?s		×				
16. On average, how many weeks of EI benefits were granted for job search?		×				
17. What percentage of CTA participants left training before completion?		×				
18. What were the reasons for not completing training?		×		×		
19. What were the reasons for participating in the CTA initiative (e.g. change occupation/industry, upgrade skills)?		×		×		
20. What were the reasons for not participating in the CTA initiative (e.g. rules too complex, fear of not finding a job after training)		×				
21. Did the CTA initiative increase the number of long-tenured workers participating in training?	×		×	×		×
22. Did the CTA initiative encourage long-tenured workers to make training decision and start training earlier in their benefit period?	×		×	×		×
23. Did the EEITI encourage long-tenured workers to participate in longer-term training?	×		×	×		×
24. What features of the CTA initiative had the most impact in terms of encouraging individuals to participate in training (e.g. extension of EI benefits while in training, earlier access to EI benefits, financial support provided through the Skills Development program)?				×		×
25. Did the Extension of EI Regular Benefits for Long-Tenured Workers (EEILTW) lowered participation in the CTA initiative			×			×
26. Did CTA participants think the initiative made a difference in their ability to find a job? Were there other perceived benefits of training?		×		×		
Demonstration of Efficiency and Economy						
27. What are the estimated costs of the CTA initiative (including EI part I, EI part II and administrative costs)?					×	
Program Delivery Issues						
28. Were there any challenges encountered in the delivery of the CTA initiative (e.g. lack of EI part II funding)? Did these challenges have an impact on participation in the initiative?						×

Appendix III – Logic Model


SITUATION
Economic Downturn and Structural Changes
- Some long-tenured workers become unemployed
Some displaced long-tenured workers received separation payments
Some long-tenured workers are displaced without separation payments
Some displaced long-tenured workers need training/skill upgrading to re-secure employment
INPUTS
1) Expenditures for EI Part I increase due to a) earlier access to regular EI benefits for displaced long-tenured workers with separation payments who invest in their own training; and b) additional weeks of regular EI benefits to displaced long-tenured workers who participate in long-term training.
2) Expenditure for EI Part II increase as financial assistance under Skills Development (SD) may be provided to the SITI and EITI participants.
ACTIVITIES
Service Canada identifies and informs eligible clients.
With the assistance of local service providers, claimants identify and register for appropriate training.
Some claimants pay for their training
Some claimants receive SD financial assistance
OUTPUTS
SITI participants receive earlier access to regular EI benefits.
EEITI participants receive additional regular EI benefits.
1) Training lasts less than 10 weeks and the course cost a minimum of $5,000 or 80% of the separation payments (SITI);
2) Training last between 10 and 20 weeks (SITI);
3) Training last 20 weeks or more (EEITI).
IMPACT AND EFECTS
After training, workers re-enter the labour market and re-secure new jobs
a. Earnings from new jobs are higher than from previous employment;
b. Earnings from new jobs are the same as that from previous employment;
c. Earnings from new jobs are lower than from previous employment

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